

LAB-GROWN DIAMOND MARKET UPDATE

Richard Drucker, GIA GG, FGA (Hon.)

Coinciding with GemGuide's revision of its lab-grown diamond charts is an explainer on what's changed and why, as well as a dive into what's happening with pricing and market share, and some thoughts for the future.

Here we are, six years down the road since we first published lab-grown diamond (LGD) prices and, as predicted, they continue their slide. Their rise in popularity took the industry a little by surprise, partly due to the marketing of these as the diamond substitute that is still “diamond” but at a lower cost. Some statistics currently put loose LGD sales at about half of the market—by volume, not by dollars. Few thought it could ever get that high.

Purchasers have been swayed by economics or the green marketing campaign, though some claims have not been entirely accurate. When prices became attractive, saving consumers some 20%-40% off of natural diamonds, the popularity started its growth. When we began publishing prices in the fourth quarter 2019, a 1.00-carat LGD—round, excellent cut, D-F color, and VVS clarity—sold at wholesale for \$2,650-\$3,700 per carat (an average of \$3,175). This was still a significant dollar amount for a consumer to spend, but far less than a natural diamond; the *GemGuide* price that same quarter for the same grades for a 1.00-carat natural diamond was \$11,535 wholesale per carat (an average of the grades). This means the discount for a 1-carat LGD even at that time was approximately 72% off a natural.

That first publishing of the price list went out via email to our subscribers once per quarter. Every few quarters, we lowered prices. In October 2021, we stopped emailing and added the price charts to the bimonthly *GemGuide*, both in print and online. The price grids still had groups of color grades at that time. Then in July 2023, we expanded the grids to list prices by individual color grades due to demand. However, as prices kept coming down and converging, pricing for individual grades became unnecessary. The current issue has us back to groupings of grades. Also added are larger sizes, now up to 5.99 carats. In the early days of our reporting, a 5-carat-plus diamond would have been considered very large and very expensive. Today, as you will see in the new price charts, these diamonds are mostly hundreds of dollars per carat and easy to source.

How much have prices declined in the past six years? As noted above, the first grading chart we produced had 1.00-carat LGD round at \$2,650-\$3,700 per carat. In the new chart today, the price we show is \$250 per carat. This equates to a discount of approximately 97% off natural.

GIA®
LABORATORY-GROWN DIAMOND QUALITY ASSESSMENT

QUALITY ASSESSMENT DETAILS

October 01, 2025
Quality Assessment Number.....1234
Shape and Cutting Style.....Round Brilliant
Carat Weight.....1.00 carat
Inscription(s): GIA1234, LABORATORY-GROWN **SAMPLE**

ASSESSMENT RESULT

STANDARD

PROPORTIONS

Diagram showing diamond proportions: 50%, 62%, 13.0%, 33.5%, 59.8%, 43.0%, 80%, 4.0%, 11.0%, very small.

Profile to actual proportions

The Federal Trade Commission in the United States approved terminology to describe man-made diamonds as laboratory-grown, synthetic, and (maker) created. This assessment classifies laboratory-grown diamonds in two categories: Premium or Standard. Any stones that fall outside these criteria are not provided with a quality classification. The stone described in this assessment was disclosed as laboratory-grown and no additional testing was performed.

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October 01, 2025
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Carat Weight.....1.00 carat
Inscription(s): GIA1234, LABORATORY-GROWN **SAMPLE**
Assessment Result.....Standard

A sample image of the GIA Laboratory-Grown Diamond Assessment document, offered as of Oct. 1. (Image courtesy of the Gemological Institute of America)

LABORATORY REPORTS

In *GemGuide's* Trade in Focus newsletter on Sept. 3, Editor-in-Chief Brecken Branstrator reviewed the changes among labs and their LGD reports. Most notably, GIA started its new reporting on Oct. 1, no longer using natural diamond grading terms. As Tom Moses stated and quoted in the report, “More than 95% of laboratory-grown diamonds entering the market fall into a very narrow range of color and clarity.” As the range he is referring to is very high quality, the new grading is “premium” for D color, VVS clarity or higher, excellent polish and symmetry, and excellent cut; and “standard” for a combination of those and other minimum criteria: E-J color, VS clarity, very good cut grade, and very good polish and symmetry (or good for fancy shapes). Below standard won't be graded. Admittedly, GIA is a small player in LGD grading. IGI is the largest, and it will continue grading LGD the same as natural diamonds.

The price of reports has come way down as well due to the



The diamond growing factory of Kira Jewels in Surat, India.
(Photo credit: Kira Jewels USA)

lower cost of the diamonds. GIA is only charging \$15 per carat. Considering that a very nice 0.50-carat diamond might only be \$100 wholesale now, a report for \$50 or more makes no sense. In some cases, smaller diamonds (0.25 carats) are already being priced higher than larger diamonds (0.50 carats) per carat as they factor in the cost of the report.

THE RARITY ISSUE

There is one main factor that is mostly overlooked with LGDs and value. Stuart Robertson, president of Gemworld, spoke about it at the Scottish Gemmological Association conference on May 3. He made the point that what sets the value of natural diamonds is rarity. A diamond of high color and high clarity is far rarer than a diamond of lower color and clarity. With LGDs, since they are mass produced in factories, they can mostly control production and produce higher color/clarity diamonds. There would be little demand for lower quality, especially at current pricing levels.

Using the Polygon trading network, a search of round LGDs, excellent cut, and GIA or IGI graded only, the following was found on the date of this research. For 1.00-1.49 carats, E color, and VS1 clarity, 10,282 diamonds were offered for sale on the platform. Dropping the color to I and staying at VS1 clarity, there were only 21 diamonds for sale. Staying at I color and dropping to SI1 clarity, only seven diamonds were for sale. If rarity were a factor in gem pricing, the lower-quality diamonds would actually be worth more. These statistics fit in with what GIA reported as well in its press release reasoning the change in grading: most LGDs are of very high color and clarity.

Now, researching natural diamonds on the Rapaport selling platform, the same parameters as above for E color, VS1 clarity, 1.00-1.49 carats (filtered for only GIA reports), there were 981 diamonds listed. For I color

RESEARCH METHODOLOGY

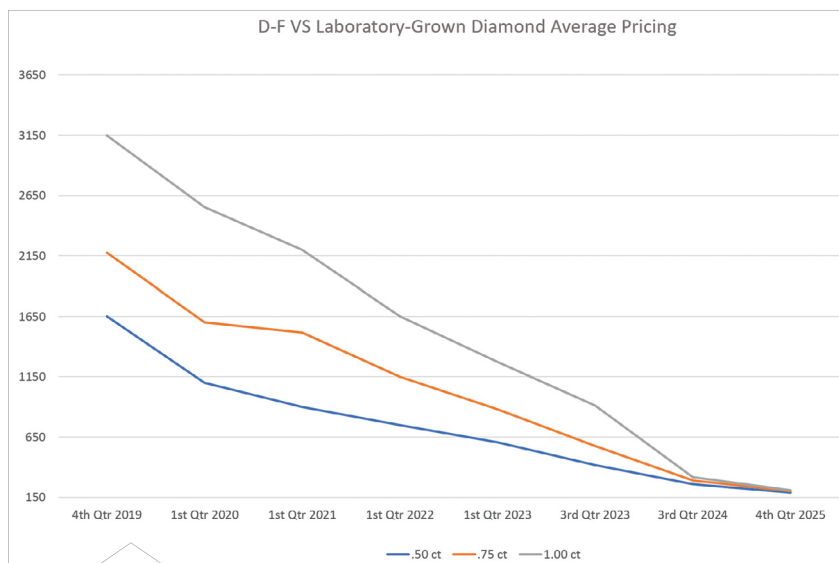
While we receive many LGD price lists from companies selling, and we do check them, our main pricing tool for LGDs is the Polygon trading platform. Polygon is an e-commerce platform for diamond and colored gemstone dealers. It has a separate LGD trading platform and is the largest online resource for the product, with just over 1 million LGDs listed as of the date of research for this report. When doing searches, we filter by laboratory, with IGI or GIA as the standard. IGI is by far the largest lab for LGDs and comprised approximately 89% of the diamonds listed on the date of research.



The 50.25-carat "Shiphra" lab-grown diamond, created by Ethereal Green Diamond in 2022 and certified by IGI.

When filtering for excellent or ideal cut only, just those two labs, and round only, the popular sizes and categories have a huge population for us to determine prices for the charts. For 1.00-1.99 carats, D-F color, VVS clarity with those filters, there are currently more than 79,000 diamonds listed. The harder part is finding a mode (the number that appears most frequently in a data set) since there will be many prices with hundreds of diamonds at that price. To protect sellers, we look at the top 10% of diamond prices. For the 1.00- to 1.99-carat parameters above, looking at the top 10% of the prices listed, a high mode was established at around \$300 per carat.

However, the average price of all the diamonds is only around \$140 per carat. And, there were 1,400 diamonds for sale at just \$116 per carat (listed by three diamond companies). These are true listings, all with IGI reports. There will also be sellers above the \$300 per-carat price, but it is easy to predict future price erosion when so many are on the market below that price. If we were to use only true modal pricing as we try to adhere to in normal research, we would be listing the price in our chart as \$116, which is also the lowest price. You can see the dilemma in price reporting for LGDs that we do not face with natural diamonds. Again, our concluding price for 1.00 carat, D-F, VVS, excellent, is now \$300 per carat, but you now know it can be higher or definitely much lower. Note that for natural diamond price research, we look for modal pricing among the entire population of diamonds for sale, not just the top 10%. We do not have the issue of finding lower-than-normal prices for hundreds of diamonds for sale.



This chart shows the average pricing of lab-grown diamonds since GemGuide started publishing them in late 2019. Not only are prices continuing to slide but also getting closer together per carat, regardless of size. (Chart credit: Gemworld International)



Direct-to-consumer brand She Said Yes launched a full line of lab-grown diamonds in September. (Photo credit: She Said Yes)

and VS1 clarity, there were 1,253 diamonds listed. And for I color and SI1 clarity, there were 2,167 diamonds listed. It's easy to understand why diamonds of higher color and clarity are more expensive. Nature produces fewer of these than lower colors and clarities. So, rarity is a key factor in value. This is true of virtually all gems. Higher quality is rarer, and thus, more expensive. Note that if we kept lowering the quality of diamonds on the RapNet platform, there will eventually be fewer offered but not because of rarity. In diamonds of I1 and lower, especially in lower colors, fewer of these will make it to GIA for lab reports.

PREDICTING THE FUTURE

What is interesting is how many suppliers can now supply at prices so incredibly low. LGD prices will converge even more as it becomes less expensive to mass produce. In our 1.00-carat example, D-F color grade, VVS clarity grade, the true mode is only \$116 per carat (the method of determining is detailed in the sidebar). We predict that eventually there will be a single low price that most sellers will hover around; LGDs will truly be fashion jewelry at one low cost. GIA may be correct in the three-tier system. Premium, for example, might be \$100 per carat, any size up to 1 or 2 carats. Standard, \$75 per carat. Below standard, \$50 per carat. Again, just a prediction. Because of this, lab reports will morph into just inexpensive identification reports or possibly even just a report from the supplier. The grades will not be very important other than a range, and the price of the report cannot exceed the cost of the diamond. Fashion jewelry for hundreds of dollars typically has no report. Important diamonds or color for thousands of dollars typically does.

There is currently a perception of higher quality equating to higher value even though, in reality, there is no cost difference in production. In the new price charts, you will still see some relatively high prices in the IF clarity column, with a

drop when they are VVS or VS. Our prediction is that IF will start coming down more, just like the other grades have, and be close to the VVS pricing. There is currently a very large gap in pricing for some IF to VVS categories. We do not think this pricing is sustainable.

The discount comparison to natural has been a big part of marketing, but this too may go by the wayside. When you can market something at a discount like 50%, it has meaning. When it is now 97% for many categories, it is not easy to sell it as a luxury item. Some market their diamonds by comparing to Rapaport prices, which are generally higher than GemGuide's. Marketing campaigns may claim "up to 99% off."

And finally, size. When we started publishing prices, the big industry news was the size. I recall being at a conference and holding a 5-carat colorless LGD, and we were all in awe of it. Every year, press releases boasted even larger diamonds being produced. In 2022, in one of my conference talks, I showed a slide with a 16.41-carat G color stone and a 20.23-carat fancy color diamond. One year later, in 2023, three more larger colorless diamonds appeared in the press, from 30 carats to 50 carats. The press has died on large LGDs as they have become much more common. My Polygon search for 5.00- to 5.99-carat stones resulted in more than 10,000 diamonds (all with excellent cut as part of my filter); 10.00-19.99 carats with nearly 1,500 diamonds; 20.00 carats and larger, with 108 diamonds. The largest listed for sale was 30.00 carats. As these diamonds are large, prices per carat are still in the few thousand per carat range, so quite a bit of money is still needed to purchase. Is there a market for these at that price? It's hard to tell, but we predict that the price will eventually come way down on these to an eventual price of the cost plus a small profit. ♦

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